

**Request for Information/Request for Proposals
Wisconsin Department of Health & Family Services**

Long-Term Support & Health Care Reform in Wisconsin

Purpose

The Wisconsin Department of Health and Family Services (DHFS) is seeking potential partners interested in implementing reform of health care and long-term support for frail elders, adults with developmental disabilities, and adults with physical disabilities funded by the State's Medical Assistance (MA) program. Reforms will benefit consumers by providing them with access to integrated care planning and management with an array of flexible, quality services that respond to their individual needs and preferences and better outcomes as defined by the consumer. Reforms will benefit taxpayers by making sure that systems of care are as cost-effective and accountable as possible.

This Request for Information/Proposals (RFI/RFP) is designed to identify potential partners and/or ideas to help the State plan and implement a more integrated and better managed system of long-term care on a statewide basis. We invite public and private organizations to inform the Department about their interests, capabilities and ideas for statewide long-term care in Wisconsin. DHFS is particularly interested in hearing from private organizations, public-private partnership groups, and multi-county consortia with the potential to implement regional care management models sometime during calendar years 2006-2009. DHFS will also welcome other ideas and proposals to help achieve the State's goals.

The Department will use the results of this Request for Information/Proposals to:

- a) Develop strategies for better, faster implementation of statewide long-term care reforms.
- b) Identify ideas for added federal MA waiver requests or other state/federal policy changes to enable cost-effective, timely reforms.

DHFS may implement more managed care in 2005-2007 within its existing authority on a fiscally neutral basis. Current state and federal legal authority includes, for example, MA waivers for the Family Care and Partnership models for integrated managed care and the SSI managed care program for adults with disabilities ages 22-64. DHFS is also open to learning about other models and ideas for reforms that would require new waivers or statutory authority. In summary, DHFS is seeking information to help determine the optimum path toward rapid statewide reform in the interests of consumers and taxpayers.

The Department is also requesting proposals for planning/start-up grants to regional partnerships that are well-positioned to prepare for implementation of new service delivery models in 2007-2009.

Background

Through its Medical Assistance (MA) program, the Department of Health and Family Services (DHFS) pays for primary, acute, and long-term care for low-income frail elders and people with disabilities. Primary and acute health care services are typically provided by licensed professionals or hospitals and are financed by both Medicaid and Medicare. Long-term care includes long-term support provided in home and community-based settings, nursing homes and facilities for the developmentally disabled.

Health and long-term care for elders and people with disabilities represents about three-quarters of the entire MA program's costs. Approximately \$3 billion of a total state MA budget of \$4 billion annually is spent on their care. This funding flows through a complex array of fee-for-service reimbursement, managed care structures, and county administered programs and what is available varies considerably around the state. Extensive information about Medicaid-funded long-term care eligibility, services, utilization and expenditures is available at the following website:

<http://dhfs.wisconsin.gov/medicaid4/presentations/index.htm>

Wisconsin has piloted some excellent innovations in long-term care and managed care with federal Medical Assistance waivers. The State has implemented models of managed primary/acute health care ("SSI managed care"), managed long-term care (Family Care Program), and fully integrated managed health and long-term care (Partnership Program). However, the State has not moved these innovations in more integrated, flexible and cost-effective care to a statewide basis. Much of the system still relies on fee-for-service health and long-term care (such as reimbursement for professional services and residential care such as nursing homes), or more limited community long-term care programs (such as the Community Options and Community Integration Programs). See the following websites for more information about these program models and their geographic availability:

Family Care Program	http://dhfs.wisconsin.gov/LTCare/
Partnership Program	http://dhfs.wisconsin.gov/WIpartnership/index.htm
SSI Managed Care	http://dhfs.wisconsin.gov/medicaid7/index.htm

Family Care, Partnership and SSI managed care pool funding for a range of health and long-term care services provided in response to individual needs and preferences. The State has contracted for care management with Wisconsin counties or private organizations using capitated, risk-based financing with adequate, actuarially sound rates. External evaluations suggest that these models have achieved improved outcomes for consumers, high consumer satisfaction, and lesser taxpayer costs relative to other MA service delivery systems in the state, using valid consumer comparison groups.

Wisconsin is moving to create Aging and Disability Resource Centers (ADRCs) accessible to everyone in the state. Originally created as part of Family Care, these Centers provide a range of information/referral and prevention services as well as eligibility determination and program enrollment. They are a resource for all those interested in planning for individual long-term care,

as well as the point of entry to Family Care. Where full ADRCs are not now available, county agencies provide eligibility determination and some range of information/referral functions.

It appears that there are many elements now available or emerging that can contribute to a better managed, more integrated system of care. The current environment presents the State with an opportunity to build on existing knowledge and the capacity of both public and private sector organizations.

Implementing Statewide Reform

DHFS recognizes the need to create a more aggressive strategy to implement statewide reform in a reasonable time, both to improve services to consumers and to manage Medicaid costs. Statewide reform will generally be guided by principles that were developed in the on-going Long-Term Care Redesign efforts with input from a wide-range of stakeholders (Attachment A). Also, DHFS assumes that the “reformed system” will likely move toward the following structure over a multi-year period:

- 1) All long-term care service delivery and costs will be managed through a flexible, individualized managed care benefit system. This may be accomplished through a structure substantially like the current Family Care model or the Partnership model, or some other approach that achieves the benefits of flexible, individualized services with integrated care management. The State anticipates use of capitated risk financing models but is also open to other innovative pay-for-performance models that address both quality and cost containment.
- 2) In many counties, elders and people with disabilities will have a choice among care management organizations providing various packages of health and long-term care benefits. We envision that the State will contract with a reasonable number, perhaps five to fifteen, care management organizations to provide managed long-term care services within the state. We envision that the number of choices will be limited by requirements that the care management organizations meet criteria for sufficiency of provider networks, financial management/reserve capabilities, and other organizational qualifications.
- 3) Service areas for care management organizations will, in most cases, be multi-county regions, varying in geographic size. Each care management organization will have responsibility for a sufficient pool of consumers for cost-effective management of services and risks within a capitated payment and reasonable actuarially-sound rates. Care management organizations serving multi-county areas will either be private organizations, public-private partnerships, or multi-county consortia under contract to the state.
- 4) Statewide, the existing Community Options Program (COP) and Community Integration Programs (CIP) will be replaced by a more comprehensive managed care model, such as Family Care or Partnership, which includes all current fee-for-service benefits, including

nursing home care. Existing COP/CIP recipients will be transferred into the new model. More information about COP is available at http://dhfs.wisconsin.gov/LTC_COP/cop.htm

- 5) Statewide, eligibility for nursing home care and other long-term care provided under the MA fee-for-service system will be subsumed within a broader long-term care management benefit, such as Family Care or Partnership. Existing recipients of MA long-term care in nursing homes or other fee-for-service arrangements will be transitioned into the new integrated, risk-based model.
- 6) By transitioning individuals from COP/CIP, nursing homes and other fee-for-service MA long-term care programs into the new model(s), the State will avoid cost increases for Wisconsin counties and the state MA program. The Department is interested in exploring the extent to which the new models may produce incremental savings that could be available to expand access to care and services for some people now waiting for home/community-based long-term care.
- 7) High quality, efficient primary and acute medical care will be provided to consumers through one of the following: Family Care, with its inclusion of a nurse on the care team to coordinate health care; SSI managed care, which is expanding in the current biennium under provisions of the adopted state budget; the Partnership model, which is a fully integrated model of managed health care and long-term care; and possibly other innovative options involving pay-for-performance contracts. Note: Organizations interested in expanding SSI managed care only may submit, but are not required to submit, responses to this RFI/RFP in order to be considered for Department contracts. The Department is proceeding with SSI managed care contracting in this year and beyond.
- 8) The State also welcomes proposals for including more preventive, population-based health strategies in a system that emphasizes keeping people healthy and independent as long as possible and leverages added federal funds for these services via an amended MA waiver.
- 9) The State welcomes other suggestions for expediting the transition to a more cost-effective system with the right mix of high quality services and care resources to individual needs and preferences.

These initial assumptions about the design of a redesigned system are not definitive. The results of this RFI, along with other information and analysis, may lead to different conclusions about what reforms are in the interest of care consumers and the State.

Planning and Development Grants

DHFS has received federal funding in its Comprehensive Systems Change grant for financial and technical support of newer organizations or partnerships that must undertake focused planning efforts before proposing specific managed care programs. This might, for example, involve a

multi-county consortium and private sector partners developing a regional plan for implementing reforms. Grants for strategic planning efforts could range from \$25,000 to \$100,000.

Where organizations and partnerships are already prepared to proceed to program development to implement long-term care reforms on a regional basis, grants may be made of up to \$250,000 for implementation. These development grants will assist entities to design the details of the reform, develop systems and capacity and implement a managed long-term care program by the end of 2007.

Guidelines for Responding to This Request for Information

Who is invited to respond: Any public or private organization or partnership that has the capacity to implement long-term care reforms as described in this RFI/RFP.

Due date: December 31, 2005.

Submit responses to: Helene Nelson, Secretary of the Department of Health and Family Services, c/o Kathleen Luedtke, Comprehensive Systems Change Manager, 1. W. Wilson Street, Room 850, P.O. Box 7851, Madison 53707-7851. Email: luedtka@dhfs.state.wi.us

Format of responses:

All respondents to this Request for Information/Proposals must submit a Statement of Interest using the attached format ([Attachment B](#)). This Statement allows an organization or partnership to register interest in participating in planning or implementation of managed long-term care/health care. The form asks for information about your organization, your interest and capacity to contribute to implementing a reformed system, and other comments you may wish to provide. Your submission on the Statement of Interest should not exceed 5 pages and be self-explanatory without further enclosures. You may append further information about the organizations submitting the proposal.

In addition to submitting the Statement of Interest, organizations or partnerships/groups interested in receiving a strategic planning grant should submit the Planning Grant Proposal ([Attachment C](#)). This will be a short concept paper (not to exceed 5 double-spaced, typed pages) on behalf of an individual or group of organizations interested in strategic planning to implement managed long-term care reform in a multi-county region of the state.

Further Information

Requests for further information may be addressed at any time to the Department, by mail to Kathleen Luedtke, 1 W. Wilson Street, Room 850, P.O. Box 7851, Madison, WI 53707, email luedtka@dhfs.state.wi.us or by calling 608-267-4896. Questions received and answers given will be posted on the Department's web site at: <http://dhfs.wisconsin.gov/lcarea/rfi>

The Department invites parties interested in responding to this RFI/RFP to regional forums to discuss our interests and pose questions. Secretary Nelson will host forums tentatively scheduled for:

Eau Claire – October 31, 2005
Stevens Point – November 2, 2005
Waukesha – November 3, 2005
La Crosse – November 7, 2005
Madison – November 10, 2005
Green Bay – November 11, 2005
Ashland – November 14, 2005

More information and registration materials are available at <http://dhfs.wisconsin.gov/ltcare/rfi>

Attachments

[Attachment A](#) – Guiding Principles for Long-Term Reform
[Attachment B](#) – Statement of Interest – Statewide Long-Term Care Reform
[Attachment C](#) – Long-Term Care Planning Grant Proposal